

Conflict of Interest Policy for NT Services

January 2019

1. Introduction

NT Services is a company within the Nordic Trustee Group (NT Group) and provides investment services to clients. Within its business operations, conflicts of interest may arise. A conflict of interest means a situation in which different parties have interests which are in conflict with each other. Potential conflicts of interest may be between NT Services and its clients, between the clients of NT Group or between different functions or entities within NT Group. If a conflict of interest is not possible to avoid, NT Services will ensure that the interest of the client take precedence over the interest of NT Services and that no client is unfairly treated at the expense of other clients.

The structure and activities of NT Services should be organized in a way which minimize the risk of conflicts of interest and implement a system for identifying and managing potential conflicts of interest.

2. Legal basis

NT Services is supervised as an investment firm by the Financial Supervisory Authority of Norway and accordingly regulated by the Norwegian Securities Act with appurtenant Securities Trading Regulations.

According to section 9-11 (1) no. 2 and section 10-10 (1) of the Securities Trading Act, an investment firm shall be structured and organized so that the risk of conflict of interest between the firm and its customers or between the firm's customers is minimized, and the firm shall take all reasonable steps to identify such conflicts of interest.

According to section 9-23 of the Securities Trading Regulations, an investment firm must assess whether the firm potentially could achieve a financial gain at the customer's expense, whether the firm has a different interest than the customer as regards the result of the provision of the investment service or execution of the transaction, whether the firm has financial or other grounds to prioritize the interests of another customer or other groups of customers ahead of the customer's interests and whether the firm conducts the same type of activity as the customer.

In addition, according to section 9-24 of the Securities Trading Regulations, an investment firm shall have written guidelines for handling conflicts of interest that as a minimum include the identification of possible conflicts of interest and a description of the routines/measures for handling these. These guidelines must be adapted to the firm's size and organization as well as the nature, extent and complexity of the firm's operations.

3. Identification of conflict of interest

NT Services will make its best endeavors to identify potential or actual conflicts of interest before these arise. NT Services including NT Group will ensure that relevant staff has the sufficient skills and awareness of what constitutes a conflict of interest and what measures to be taken if a conflict of interest is identified. All employees of NT Services and NT Group will receive relevant training on conflict of interest on a regular basis.

Below are examples of identified potential conflicts of interest situations for NT Services.

i. Conflict of interest between the issuer and the investor

NT Services will as an investment service provider execute tasks on behalf of both issuer and investor. The parties can have different interest in connection with NT Services role. On one hand the issuer is interested in getting a loan payment as soon as possible, independent of whether all the

loan terms are fulfilled. On the other hand, it is in the interest of the investors that the compliance with the loan terms are sufficiently controlled. In NT Group it is the responsibility and role of Nordic Trustee to check that the issuer complies with the loan terms before any payments are released. Due to the conflict of interest between the issuer and the investor this has been identified as a potential conflict of interest on a group level.

ii. Conflict of interest between the role as services provider and bond trustee

NT Groups core business is to act as a bond trustee. NT Services is closely related to Nordic Trustee, and future assignments as bond trustee could potentially be seen in conflict with NT Services role as investment manager.

iii. Conflict of interest between the role as investment services provider and other services in the bond market

In addition to investment services NT Services offers other services to participants in the bond market. NT Services provides other services as;

- Listing agent,
- Payment agent for direct lending
- Escrow agent
- Paying agent

Through the customer relationships established for the ancillary services, a potential conflict of interest is identified between different clients and the different roles offered by NT Services with respect to the services listed above. It is therefore of outmost importance to address potential conflicts of interest in future assignments.

4. Managing conflicts of interest

Identified conflicts of interest shall be properly managed to avoid adverse effects on clients.

All employees must comply with regulations, internal guidelines and procedures for managing conflict of interest. The Compliance function has been outsourced to Nordic Trustee. Compliance will on a regular basis test the compliance with internal guidelines for managing conflict of interest within NT Services.

i. Conflict of interest between the issuer and the investor

Both Nordic Trustee, for their responsibility as a bond trustee and to check and approve the loan terms, and NT Services, for their role as investment services provider, are governed by written procedures and controlled through four-eyes principles. These procedures are implemented to mitigate the risk and reduce the possibility that employees are affected by one of the parties' interests in transactions. These measures will not completely eliminate the risk, and clients of NT Services will be informed through the general commercial terms regarding the services provided by NT group in connection with issuance of bonds and potential conflict of interest this may cause.

ii. Conflict of interest between the role as investment services provider and bond trustee

NT Services responsibility as investment services provider is regulated by written guidelines and procedures, and the compliance with these will be checked by using the four-eyes principle. The measures will reduce the risk that NT Services takes other considerations into account when performing their role.

These measures will not completely eliminate the risk, and clients of NT Services will be informed through the general commercial terms regarding the services provided by NT group in connection with issuance of bonds and potential conflict of interest this may cause

These measures reduce the risk that NT Services takes extraneous considerations when performing its services.

iii. Conflict of interest between the role as investment manager and other services in the bond market

The measures taken as described above will in addition mitigate the risk that NT services emphasize own commercial interest when providing investment services to clients.

5. Other measures to manage and limit potential conflicts of interest in NT Services

The company's general allowance and remuneration scheme for leading employees is designed with a view to reducing potential conflicts of interest. Moreover, the company will have continually focus on possible conflicts of interest that can materialize through the daily operations and provide trainings of employees about this topic.

6. Information to Clients/s if measures to avoid conflict of interest are not sufficient
If NT Services measures under paragraph 4 are not sufficient to manage the potential or actual conflict of interest the affected Client/s must be informed.

NT Services will in such situations not conduct any business for the account of the client before the client has received such details. The description shall contain information that explains the nature and sources of the conflicts of interest, the risks to the client as a result of the conflicts of interest and the steps undertaken to mitigate these risks. This to enable the client to take reasonable and informed decisions with respect to the service in the context of which the conflicts of interest arise.

7. Documentation

NT Services will keep a register of all relevant identified conflicts of interest and how the situation has been managed. The management will on a regularly basis, or whenever a situation occurs, get a report on situations registered in the conflict of interest register.

The board of directors will on an annual basis receive a written report of relevant identified conflicts of interest.

All documents will be safely achieved. According to section 9-26 and 9-21 of the Securities Trading Regulations all documentation will be kept for a period of 5 years

8. Reporting and control

Actual and potential conflicts of interest, or breach of internal guidelines for conflicts of interest, will be immediately reported to manager or Compliance.

Compliance will regularly monitor that NT Services follows the relevant laws, regulations and internal guidelines for managing conflicts of interest.

9. Revision of guidelines

Compliance will monitor and update these guidelines when relevant at least on an annual basis.

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